

JAN 23 2025

A BILL FOR AN ACT

RELATING TO THE WAIHAOLE WATER SYSTEM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the Waiahole water
2 system transports water from the Koolau mountain range on the
3 windward side of Oahu to Kunia, on the leeward side of the
4 island. Construction began in February 1916, and the finished
5 system began delivering water by May 27, 1916. The total system
6 length is 26.4 miles, consisting of fifteen miles of tunnels,
7 ten miles of open ditches, and 1.4 miles of siphons. The system
8 travels from Kahana to Kunia entirely by gravity flow. The
9 Waiahole water system includes development tunnels, built to
10 collect water from the Koolau mountains, that are connected to
11 the main transmission tunnel. Seven siphons carry the water
12 across gulches on the leeward side of the system. The Waiahole
13 water system also includes two reservoirs. The first, reservoir
14 225, is on the east side of Kunia highway and holds 9,500,000
15 gallons. The second, reservoir 155 -- renamed the Nakatani
16 reservoir, is at the end of the system and holds 14,010,000
17 gallons. Throughout the system, gauging stations are installed



1 and designed to measure water collected in the Koolau mountains.
2 One of the gauging stations is called adit 8 and is in critical
3 need of repair.

4 Until the demise of the sugar industry on Oahu during the
5 mid-1990s, the system was continuously owned and operated by
6 Waiahole Irrigation Company, Limited, a wholly owned subsidiary
7 of Oahu Sugar Company, Limited. Pursuant to Act 111, Session
8 Laws of Hawaii 1998 (Act 111), the agribusiness development
9 corporation purchased the assets of the Waiahole Irrigation
10 Company, Limited, from Amfac/JMB Hawaii Limited for \$8,500,000
11 in July 1999. Furthermore, pursuant to Act 111, the legislature
12 appropriated \$1,200,000 in reimbursable general obligation bonds
13 to replace the system's three deteriorated redwood siphons.
14 Today, the ditch is known as the Waiahole water system and is
15 actively managed and operated by the agribusiness development
16 corporation.

17 The Waiahole water system serves approximately 5,600 acres
18 of land in central and leeward Oahu, of which approximately
19 eighty-six per cent is in active agricultural use at any given
20 time. In addition to state-owned lands, Waiahole water system
21 users occupy land owned by Kamehameha Schools; Castle & Cooke



1 Land Company, Ltd.; M.A. Robinson Trusts; and the James Campbell
2 Company. Currently, agricultural users include Aloun Farms, the
3 Hawaii Agriculture Research Center, Larry Jefts Farm, Mililani
4 Nursery, Mililani Agricultural Park, Sugarland Farms, Waiawa
5 Nursery, Waikele Farms, and livestock ranchers. Non-
6 agricultural users include Mililani Memorial Park. Other users
7 include Waiawa correctional facility, and its uses are
8 approximately twenty-five per cent agricultural and seventy-five
9 per cent non-agricultural.

10 In 2000, the Waiahole water system contributed \$95,000,000
11 to and created roughly two thousand jobs for the state economy.
12 This figure accounted for fifty-one per cent of total crops,
13 livestock, and aquaculture sales for the city and county of
14 Honolulu. It was concluded that directly and indirectly, for
15 every \$1 increase in final demand for Hawaii's agriculture
16 products from the Waiahole water system, the output in Hawaii's
17 overall economy increased by \$1.94. According to the department
18 of agriculture's report in October 2012 titled "Assessment of
19 Irrigation Systems in Hawaii", the Waiahole water system
20 contributed \$135,000,000 and two thousand jobs to the state
21 economy in 2012.



1 Waiahole water system users have gradually increased the
2 efficiency with which they use water, so water usage has
3 decreased over time. Moreover, users were severely affected by
4 the COVID-19 pandemic. The current agricultural water rate is
5 99.850 cents per 1,000 gallons. Comparable area rates for
6 agricultural water include the board of water supply's and
7 department of agriculture's average agricultural rate of 50
8 cents per 1,000 gallons. As of October 2024, the farmers using
9 the Waiahole water system had paid \$9,754,417.90 toward the
10 \$8,500,000 bond, totaling thirteen per cent more than the
11 original bond amount. These costs are passed on to consumers,
12 resulting in higher food prices. Currently, forty per cent of
13 all revenue is used to service the principal and interest debt.
14 The balance to pay off the debt is \$4,500,000 and would result
15 in farmers and consumers paying \$14,000,000 in debt service
16 fees.

17 The legislature further finds that repairs to the adit 8
18 tunnel have been delayed as long as possible and have reached a
19 critical point in needing \$2,000,000 in design and construction
20 of deferred maintenance repairs. All water from the Waiahole
21 water system must pass through the adit 8 tunnel.



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1 Therefore, the purpose of this Act is to appropriate funds
2 to the agribusiness development corporation to fully pay off the
3 bond debt service on the Waiahole water system and repair the
4 adit 8 tunnel.

5 SECTION 2. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$4,500,000 or so much
7 thereof as may be necessary for fiscal year 2025-2026 to pay the
8 bond debt service on the Waiahole water system.

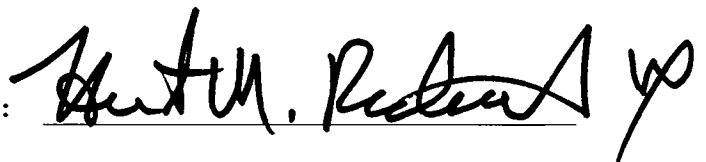
9 The sum appropriated shall be expended by the agribusiness
10 development corporation for the purposes of this Act.

11 SECTION 3. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$2,000,000 or so much
13 thereof as may be necessary for fiscal year 2025-2026 for the
14 repair of the adit 8 tunnel of the Waiahole water system.

15 The sum appropriated shall be expended by the agribusiness
16 development corporation for the purposes of this Act.

17 SECTION 4. This Act shall take effect on July 1, 2025.

18 INTRODUCED BY:

A handwritten signature in black ink, appearing to read "Anthony P. Padua", followed by a stylized flourish or initials.



S.B. NO. 1541

Report Title:

Waiahole Water System; Bond Debt Service; Tunnel Repair;
Appropriations

Description:

Appropriates funds for the Waiahole Water System for bond debt service and tunnel repair.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

